



9 March, 2018

Pantheon Resources plc

Operational Update

Pantheon Resources plc (“Pantheon” or “the Company”), the AIM-quoted oil and gas exploration company with a working interest in several conventional project areas in Tyler and Polk Counties, onshore East Texas, provides the following operational update:

VOBM#5, Polk County, 75% working interest – Well reached target depth (TD) and significant hydrocarbon bearing zone encountered

The VOBM#5 well has reached total depth at 14,190 feet, having successfully encountered over 60 feet of net pay in the targeted Eagle Ford sandstone formation on prognosis, and having encountered hydrocarbons while drilling. Logs have been run and confirm the presence of a potentially significant hydrocarbon bearing horizon in the Eagle Ford sandstone. Production casing has been set and a frac crew has been contracted who are expected to arrive on location during the week commencing 19 March 2018 to frac the well. In the event of success, the operator will immediately commence arrangements to lay a short pipeline to be connected into the gas processing system. A further announcement will be made at the conclusion of testing operations.

The well pad and access roads suffered some modest damage during recent period of localized flooding which has now subsided, and contractors have been contracted to undertake repairs later this week.

VOBM#1, Polk County, 55.1% working interest – Frac completed and sustained production feeding into processing plant

The planned frac procedure has been successfully performed on the VOBM#1 well. The purpose of the frac was to remediate the obstructions and skin damage in the wellbore which are believed to have occurred as a result of the well having been shut-in for over 18 months, as well as the effects of migrating formation sand.

During preparations for the frac, a hard obstruction was encountered which only permitted the frac to occur in the uppermost section of perforations. It is believed that the steel casing in the lowermost section of the wellbore may have collapsed during the shut-in period which would explain the symptoms experienced in the wellbore to date. It also supports the belief that the issues in VOBM#1 are wellbore specific and not representative of the reservoir.

Notwithstanding this, the frac on the upper section was successful and the well is presently in the post-frac cleanup phase and is producing at an average rate of 4,000 mcf/d of natural gas and 132 bopd with variable quantities of water at a stabilized flowing tubing pressure. Pantheon receives 70% of all revenues from VOBM#1 until payback.

The well is currently hooked up and is currently producing into the system.

VOBM#4 Tyler County, 75% working interest - *Drilling operations concluded and well suspended*

Drilling operations on the VOBM#4 vertical sidetrack well have concluded. The well was perforated in the Upper Wilcox to determine suitability for fracture stimulation treatment. The well was tested without stimulation and, despite good log responses and production of hydrocarbons while drilling, did not produce hydrocarbons in commercial quantities. The well will now be suspended to allow for a possible re-entry with a horizontal lateral, as has been successfully carried out elsewhere within the Wilcox formation, subject to additional analysis. The Wilcox potential of this area has been studied in great detail over the past 12 months and the operator and third party consultants believe the Tyler County acreage offers significant Wilcox potential when drilled horizontally with a multi-stage frac, similar to a shale well.

The Company can also confirm that two separate US based groups have entered discussions with the operator to explore the possibility of participating in a Wilcox play on our acreage. These discussions are ongoing although there can be no guarantee that these discussions will conclude in a contractual arrangement.

Tyler County Gas Processing

The Company is pleased to report that the operator is in advanced negotiations with the operators of two existing gas plants for the supply and processing of gas from the VOS#1 well and future Tyler County wells.

Jay Cheatham, CEO, said:

"I am extremely pleased that the VOBM#5 well has found the Eagle Ford sandstone where we expected and that the well was drilled on budget. These wells are covered by 3D seismic and we can clearly see it has the potential to be a significantly better well than VOBM#1 which is located in the pilot hole of what was set up to be a horizontal well, over 1500 feet away from the intended target. The well encountered hydrocarbons while drilling and the logs look great. If successful, it will be hooked up and into production as soon as possible thereafter; possibly within weeks.

"The Wilcox zone within VOBM#4 requires further analysis. Data and analogs suggest that the zone offers great potential, and expert analysis supports a strong case for Wilcox potential on our acreage. However, the potential in this vertical wellbore is limited when compared to a multi-stage fracked horizontal well such as those drilled in the Jazz Field. Our analysis of this well continues and both the operator and the Company firmly believe that potential for Wilcox on our acreage remains.

"Crucially, nothing we have seen diminishes our belief in the potential of the acreage. The issues that we have encountered in the Eagle Ford have been wellbore specific operational issues, compounded by the long shut-in periods in our high temperature, high pressure environment. The 301mmboe P50 prospective resource estimate of the acreage potential remains current and is based upon the Eagle Ford sandstone and Austin Chalk plays only. Pantheon has working interest positions between 50% to 75% in all prospects."

-Ends -

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For further information on Pantheon Resources plc, see the website at:
www.pantheonresources.com

In accordance with the AIM Rules - Note for Mining and Oil & Gas Companies - June 2009, the information contained in this announcement has been reviewed and signed off by Jay Cheatham, a qualified Chemical & Petroleum Engineer, who has over 40 years' relevant experience within the sector.

The technical disclosure in this announcement complies with the SPE/WPC standard.

The information contained within this RNS is considered to be inside information prior to its release.

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.

Glossary

Bopd	barrels of oil per day
frac	fracture stimulation procedure
mcf/d	thousand cubic feet per day
mmboe	millions of barrels of oil equivalent